## **REMARKS**

The allowability of claims 18, 19, 20, 29, 30 and 31 when rewritten into independent form is noted with appreciation. Such rewriting has been incorporated into this amendment so as to remove the objection to these claims.

The matter of formal drawings is being taken care of under separate cover.

Substitute claims for the specification pages are supplied herewith.

Turning to the specific claim rejections, the Office is correct that the particular values of bit per second embedding are erroneously stated in claims 15, 39 and 42 and do not correspond to the actual disclosure, thus giving rise to their 35 U.S.C. 112, first paragraph rejection. These claims have accordingly been corrected to recite applicants' novel thousands of bits per second of supplemental digital program embedding, and in media files encoded at bit rates of the order of a hundred kilobits per second as taught on pages 4 and 17 of the specification. This language has recently been approved by the Office in copending and now allowed US application Serial No. 09/389,941 of common filing date with the present application, as patentably defining over prior art. (page 3 of Examiner's Statement Of Reasons For Allowance: "The claimed embedding bit rate is not disclosed or suggested by the prior art".)

As for the rejection of claims 37-38 and 40 under 35 U.S.C. 102 (a,b,e) as anticipated by the patent ('906) to Doyle et al, clearly the embedding rate of amended claim 40 is entirely outside the scope of any teaching or even hint in this patent. Claims 37 and 38 have also been amended more clearly to define over Doyle's teaching of merely linking a text document to other forms of media, as distinguished from applicants' very different concept of embedding supplemental media files into pre-prepared digital media audio files. In particular, Doyle uses the words "embedded objects" to describe only the placement of a reference to an external object within a hypermedia document, with the example using the HTML EMBED tag.

Reconsideration and allowance of amended claims 37-38 and 40 are therefore respectfully requested.

The remaining claims (1-6, 10, 11, 13, 15, 21, 22, 39, 24-25, 32-33 and 35) have been rejected under 35 U.S.C. 102 (e) as "anticipated" by the system of the Rhoads et al patent 6,411,725. In presenting this rejection, the Office has chosen to ignore clear claim limitations which are directed to the very heart of applicants' invention and its objectives—namely, for the first time in the art, enabling the providing of seamless

"embedding (of) executable program code into pre-prepared media file formats for execution by digital media player and viewing apparatus or systems and the like, to provide supplementary content such as the before-mentioned transactional advertising, games, interactive music videos, e-commerce and the like, for execution and presentation by the digital player and viewing apparatus or systems, while continuing to present the original pre-prepared media file programs". (page 4 of specification)

Of great interest, in this connection, is the breakthrough, mentioned on page 8 of the specification, in providing

"the addition of graphical, interactive and e-commerce-enabled content through the sequenced executable code embedding in the media file in accordance with present invention... illustrated as presented upon exemplary well-known present-day widely distributed 'MP-3' audio player".

The new results of the invention are further presented on page 8 as also residing in enabling

"the embedding of a 468 x 60 pixel interactive banner ad... into the MP3 stream... shown displayed within a "Free Amp" type MP3 player – adding media presentation to the player music... This enables advertiser-sponsored music files, using the music to sell products. The facility for promoting and marketing directly to whatever demographic may be desired is thus opened up by the invention, also enabling the subsidizing of music distribution as well."

Clearly, therefore, the Office is in error in ignoring the MP3 and related claim limitations, and the above-described new results made possible by the invention (claim 16-20, 27-31, 34 and 36) -- and also clearly this is well outside the scope of the patent to Rhoads et al.

Apart from this, the patent to Rhoads et al describes a system which embeds data only in *video* players. It does not teach applicants' embedding of supplemental media files in audio media digital files, as is now made even clearer by the present amendments to claims 1, 24, 35 and 37 in this particular — and thus, also, in dependent claims 2-6, 10, 11, 13, 15, 21, 22, 39, 24-25, 32-33 and 35.

In fact, if one looks at companion patent 5,862,260 of Rhoads, it is abundantly evident that it is concerned only with tens to hundreds of bits/sec data (col. 79, line 58), not the embedding of thousands of bits/sec. taught by applicants for attaining their entirely different novel results, above discussed. Useful supplemental media files simply cannot be embedded at such low rates as Rhoads, since only a single line of text could be embedded using their techniques.

Rhoads, moreover, certainly does not anticipate the embedding of advertising images, market-localized ads, interactive computer programs, supplemental text or audio content, music, etc. (see particularly applicants' claims 3-8, 23, 34-36) as pioneered by applicants.

Reconsideration and allowance of all of the claims, particularly as amended, therefore, appear to be in order and are accordingly respectfully requested.

The indulgence of the Office is further solicited for entry of the above amendments after final rejection, particularly since the clarifying simple claim amendments are not believed to require a new search or to raise new issues. This assistance by the Office is particularly solicited in view of the current interest of a potential licensee, and the desirability of issuing a patent simultaneously with said co-pending application (compressed data version), Serial No. 09/389, 941, before referenced, and now allowed.

Any costs required by this filing and for any required extension of reply time, petition for which is hereby made, may be charged to Deposit Account No. 18-1425 of the undersigned attorneys.

As further information disclosure material, applicants would call attention to the publication WO 1/19702A1 of applicants' international patent application  $\label{eq:pctibound} \parbox{PCT/IB00/00228 with its published international search report, also failing, in the position of the position of$ applicants' view, to find any prior art anticipation of applicants' invention or of their present claims, and also citing a patent publication of Rhoads, et al, above discussed. Similarly, in said copending application Serial No. 09/389,941, applicants have now received the international search report of their corresponding PCT/IB00/00227 international application, now available to the USPTO as published application WO 01/19071, and the citations of which are also outside the scope of applicants' claims.

Very respectfully,

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